

**LEASE AGREEMENT
BETWEEN CITY OF LINCOLN
AND
LANCASTER COUNTY SCHOOL DISTRICT 001**

This Lease Agreement ("Lease") is hereby entered this ____ day of _____, 2011, by and between the City of Lincoln, Nebraska, a municipal corporation, with a principal place of business at 555 South 10th Street, Lincoln, Nebraska 68508 (hereinafter referred to as "Lessor"), and Lancaster County School District 001, a/k/a Lincoln Public Schools, a Nebraska political subdivision, having a principal place of business at 5901 "O" Street, Lincoln, Nebraska, hereinafter referred to as "Lessee").

RECITALS

1. Lessor owns the former Experian buildings legally described as Block 4, Lots 4, 5, 6, 7, 8, 9, and 10 and Block 7, Lot 9, Union Pacific Addition, Lincoln, Lancaster County, Nebraska, commonly known as 901 West Bond Street and 949 West Bond Street, Lincoln, Nebraska. The second floor of 949 West Bond Street is currently unoccupied.
2. Lessee has suffered the destruction of its administrative offices at 5901 "O" Street by way of a fire on May 30, 2011.
3. Lessee is in need of facilities to operate as a school district and desires to lease the second floor of 949 West Bond Street until more permanent arrangements for administrative offices can be procured or constructed.
4. Lessor does not require the second floor of the building at 949 West Bond Street, consisting of thirty thousand (30,000) square feet of office space, for its own purposes, and it desires to lease this and other space.

5. Lessor and Lessee wish to enter into an agreement whereby Lessee agrees to lease the second floor of 949 West Bond Street, Lincoln, Nebraska and other spaces from Lessor for the purpose of continuing its operations at said location.

NOW, THEREFORE, in consideration of the terms, conditions, and covenants contained herein, Lessee and Lessor agree as follows:

I. LEASE OF PREMISES

Lessor hereby leases to Lessee, and Lessee leases from Lessor, the second floor, consisting of thirty thousand (30,000) square feet of office space of the property at 949 West Bond Street, Lincoln, Lancaster County, Nebraska and such other spaces as may be identified in Exhibits A and B attached hereto.

II. DEFINITIONS

For purposes of this Lease, the following capitalized terms shall have the meanings set forth in this Section.

- A. Common Areas means the center hallway on the first floor, the stairs, the elevators, and the first floor lobby located inside the southwest doors to the building, hallways, stairs, sidewalks, parking areas, Loading Dock (as defined herein), driveways and any other area open to the public and not specifically used by any occupant.
- B. Leased Premises means those spaces identified in Exhibits A and B attached hereto to be occupied by Lessee for the purpose of conducting its primary education operations. Additionally, Lessee shall have use of the first floor lobby, utilized as the reception desk.
- C. Property means Block 4, Lots 4, 5, 6, 7, 8, 9, and 10 and Block 7, Lot 9, Union Pacific Addition, Lincoln, Lancaster County, Nebraska, commonly known as 901 West Bond Street and 949 West Bond Street, Lincoln, Nebraska including any buildings, structures, improvements, and fixtures now thereon or added thereto in the future.

- D. Lessee's Proportionate Share means the percentage determined by dividing the rentable square feet in the Leased Premises by the total rentable square feet (whether or not actually rented) in the building located at 949 West Bond Street, Lincoln, Nebraska.

III. TERM OF LEASE

The term of the Lease shall begin the 6th day of June, 2011 ("Commencement Date"), and it shall continue until midnight on the 31st day of August, 2012 ("Expiration Date"). Said lease shall be renewable for two additional term of three (3) months at the option of Lessee by sending notice to Lessor no less than two (2) months prior to the expiration of the initial term on August 31, 2012 and no less than thirty (30) days prior to the expiration of the first extended term. The rental rate for each of the two additional three (3) month terms shall be at the same rate as set forth in Section V. below.

IV. HOLDING OVER

Lessee will have no right to remain in possession of all or any part of the Leased Premises after the expiration of the Term. If Lessee fails to provide notice that it intends to exercise its option to extend the Term of the Lease as discussed in Section III, this Lease shall expire at the end of the Term.

V. RENT

As rent hereunder, Lessee agrees to pay Lessor twelve dollars and fifty cents (\$12.50) per square foot multiplied by the square feet actually rented as shown on Exhibits A and B ("Rent"). The amount to be paid by Lessee to Lessor in equal monthly installments is forty-two thousand seven hundred eight and 33/100 dollars (\$42,708.33) due on the first day of each month beginning June 6, 2011 and continuing likewise for the term of this Lease until the final payment is made August 1, 2012. In the event that the monthly rent payment for any month has not been received by Lessor by the fifth day of the month in which it is due, Lessor shall immediately send notice of

such deficiency by certified mail and electronically. If payment is not received by Lessor by the fifteenth day of the month in which the payment is due after notice has been sent by Lessor, Lessee shall pay to Lessor an additional five percent (5%) of the monthly rent as a late fee. Rent for the month of June, 2011, shall be prorated from June 2 to June 30. Rent payment includes use of all Lessor's office furnishings, desks, chairs, and other furniture.

VI. UTILITIES AND OPERATING EXPENSES

- A. Utilities. Lessor shall be responsible for securing delivery of electric, natural gas, water, and sewer services to the Property. The monthly rent payment described above shall cover all electricity, natural gas, water, and sewer charges attributed to the Leased Premises throughout the Lease Term. No interruption of utility services by reason of causes beyond the reasonable control of the Lessor shall be an eviction or disturbance of Lessee's use and occupancy of the Leased Premises, nor render the Lessor liable for damages.
- B. Telephone and Computer Services. Lessee shall be responsible for securing telephone and computer services to the Leased Premises for Lessee's use throughout the term of this Lease, including the Transition Period. Lessee shall be solely responsible for payment and maintenance of such services at the Leased Premises used by Lessee during the term of this Lease. Lessee shall be allowed to use existing telecommunications hardware installed at 949 West Bond Street for the purpose of maintaining its telephone and computer services.
- C. Lessor shall be responsible for Lessee's Proportionate Share of the monthly charges related to trash and refuse services provided to 949 West Bond Street throughout the Term of the Lease.
- D. Lessee shall make arrangements for mail and package pickups and deliveries to the Lessee at its sole expense. Lessee may make arrangements with Lessor to use loading and unloading docks in the neighboring building owned by Lessor and known as 901 West Bond for delivery or receipt of freight by obtaining permission to use such facilities.

Lessee shall have use of the loading dock in the building located at 949 West Bond Street for daily deliveries (collectively, the loading dock at 901 West Bond and 949 West Bond, the "Loading Docks").

- E. Snow Removal and Lawn Care. Lessor shall provide all necessary snow removal and lawn care/landscaping services for the Property. Lessor agrees to have all sidewalks clear of snow no later than 7 a.m. on any regularly scheduled working day.
- F. Parking. Lessee's employees may park anywhere on the parking lots for the 949 West Bond or 901 West Bond buildings.

VII. USE OF LEASED PREMISES

Lessee may use the Leased Premises for an office facility from which to operate lawful activities reasonably associated with its primary education operations in Lincoln, Nebraska. Lessee shall have access to the Leased Premises 24 hours per day, 7 days per week, including holidays.

Lessee shall not: (i) permit to be done in or about the Leased Premises, anything which is prohibited by or will in any way conflict with any law, statute, ordinance, or governmental rule or regulation which is now in force or which may be enacted or promulgated after the Commencement Date; (ii) do or permit anything to be done in or about the Leased Premises which will in any way obstruct or interfere with the rights of the Lessor or any future tenants of the Leased Premises, or injure or annoy them; (iii) use or allow the Leased Premises to be used for any unlawful purpose; (iv) cause, maintain, or permit any nuisance in or about the Leased Premises or commit or allow to be committed any waste in, on, or about the Leased Premises. Lessor warrants and represents that there are no zoning restrictions or covenants restricting the use of the Leased Premises for the purposes permitted hereunder.

VIII. REQUIREMENTS OF LAW

At its sole cost and expense, Lessee, subject to Lessee's right to contest the validity thereof, will promptly comply with all laws, statutes, ordinances, and government rules and regulations related to its specific use of the Leased Premises (as opposed to the general use or occupancy of the Leased Premises) now in force or in force after the Commencement Date; with the requirements of any board of fire underwriters or other similar body constituted now or after the Commencement Date related to its specific use of the Leased Premises (as opposed to the general use or occupancy of the Leased Premises); and with any directive or occupancy certificate issued pursuant to any law by any public officer or officers, as well as the provisions of all recorded documents affecting the Property, insofar as they related to the condition, use, or occupancy of the Leased Premises, excluding requirements of structural changes or changes outside the Leased Premises unless related exclusively to (a) Lessee's acts, (b) Lessee's specific business (as opposed to the general use of the Leased Premises), (c) Lessee's specific use of the Leased Premises (as opposed to the general use of the Leased Premises), or (d) improvements made to the Leased Premises by or for Lessee's specific use (as opposed to the general use of the Leased Premises). Lessor agrees to comply with and to cause the Property, including the Common Areas to be in compliance at all times with the requirements of all federal, state and municipal statutes, laws, ordinances, codes, orders, rules and regulations.

IX. HAZARDOUS MATERIALS

Lessee shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, stored, used, generated, released into the environment, or disposed of on, in, under, or about the Property, without the prior written consent of Lessor, which consent may be withheld in Lessor's reasonable discretion. Lessee shall comply with all local, state, or federal rules, regulations, statutes, or ordinances concerning use, storage, and disposal of any Hazardous

Materials brought onto, used, or stored on the Property following consent. Upon expiration or sooner termination of this Lease, Lessee covenants to remove from the Property, at its sole cost and expense, any and all Hazardous Materials brought upon, stored, used, generated, or released into the environment during the term of this Lease and still located on the Property, by Lessee or Lessee's agents, employees, assignees, contractors, or invitees. To the fullest extent permitted by law, each party hereto hereby agrees to indemnify, defend, protect, and hold harmless the other party hereto and its agents, and respective successors and permitted assigns, from any and all claims, judgments, damages, penalties, fines, costs, liabilities, and losses incurred by or assessed against the indemnified party that arise during or after the term hereof directly or indirectly from the presence of Hazardous Materials on, in, or about the Property which is or was caused or permitted by such indemnifying party or its agents, employees, invitees, or contractors during the term hereof. As used in this Lease, the term "Hazardous Materials" shall include any hazardous or toxic materials, substances, or wastes including (a) any materials, substances, or wastes that are toxic, ignitable, corrosive, or reactive and that are regulated by any local governmental authority, any agency of the State of Nebraska, or any agency of the United States Government, (b) petroleum or petroleum-based products, (c) urea formaldehyde foam insulation, (d) polychlorinated biphenyls (PCBs), (e) freon and other chlorofluorocarbons, and (f) asbestos and asbestos-containing materials. In no event shall Hazardous Materials include office supplies.

X. EXPIRATION OF LEASE

Upon the Expiration Date or upon termination of the lease for any reason, Lessee will promptly quit and surrender the Leased Premises in the same condition, order and repair, ordinary wear and tear excepted, as existed on the Commencement Date. If Lessee is not then in default beyond all applicable notice and cure periods, Lessee may remove from the Leased Premises, prior to the Termination Date, any trade fixtures, equipment, and movable furniture placed in the Leased

Premises by Lessee and not owned by Lessor. Lessee will not remove any trade fixtures or equipment without Lessor's prior written consent if removal will result in impairing the structural strength of the building. Lessee will fully repair any damage caused by said removal. Anything left on the Leased Premises after the end of the Term will be deemed conclusively to have been abandoned by Lessee and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Lessor without notice to Lessee or any other person and without obligation to account for them; provided, that Lessor provided Lessee written notice of its intent to sell, store, destroy or dispose of such property and Lessee has not removed such property after five (5) days of receipt of such notice. Lessee will pay Lessor for all expenses incurred in connection with removal of such property, including, but not limited to, the cost of repairing any damage to the building or Leased Premises caused by the removal of such property. Lessee's obligation to observe and perform this covenant will survive the expiration or other termination of this Lease.

XII. CONDITION OF LEASED PREMISES

Lessee agrees that it is familiar with the Leased Premises and that it has thoroughly and completely inspected the Leased Premises and is fully satisfied therewith. Lessor has made no representations or guarantees regarding the condition of the Leased Premises except as set forth herein. By occupying the Leased Premises as of the date of the commencement of this Lease, Lessee agrees that it is taking the Leased Premises in an AS IS condition. Lessee acknowledges that neither Lessor nor its agents or employees have agreed to undertake any alterations or to construct any tenant improvements to the Leased Premises except as expressly provided in this Lease.

XIII. ASSIGNMENT OR SUBLEASE

Lessee agrees that it shall not assign this lease or sublease the Leased Premises during the term of this Lease without the express written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed. Lessor agrees to respond to any request by Lessee to sublet the

Leased Premises within thirty (30) days of receiving said request. Lessor shall act in good faith and not unreasonably withhold approval to sublease the Leased Premises or assign this lease to another party. Lessee agrees that ten percent (10%) of any rent received as part of a sublease of the Leased Premises above the rent amount for this Lease shall be paid over to the Lessor.

XIV. INDEMNIFICATION

To the fullest extent permitted by law, Lessee shall indemnify, defend and hold harmless Lessor, its officers, agents and employees from and against claims, damages, losses and expenses, including but not limited to attorney fees, arising out of or resulting from performance of this Lease, that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death, or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom to the extent that is caused in whole or in part by the intentional or negligent act or omission of Lessee, or anyone for whose acts any of them may be liable. This section will not require Lessee to indemnify or hold harmless Lessor for any losses, claims, damages, and expenses arising out of or resulting from the negligence of Lessor. Lessor does not waive its governmental immunity by entering into this Lease and fully retains all immunities and defenses provided by law. This section survives any termination of this Lease.

XV. INSURANCE

- A. During the term of this Lease, Lessee shall obtain and maintain commercial general liability insurance coverage for the Leased Premises naming and protecting Lessee and Lessor against claims resulting from bodily injury, wrongful death, personal injury, and property damage which may arise from operations in or about the Leased Premises or arising from or connected with the use, conduct, or operation of this Lease by Lessee, its employees, agents, invitees or those directly or indirectly employed by Lessee. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:

1. All Acts or Omissions - \$1,000,000 each Occurrence; \$2,000,000 Aggregate; and
 2. Bodily Injury/Property Damage - \$1,000,000 each Occurrence; \$2,000,000 Aggregate; and
 3. Personal Injury and Medical Expenses - \$1,000,000 each Occurrence; and
 4. Contractual Liability - \$1,000,000 each Occurrence; and
 5. Products Liability and Completed Operations - \$1,000,000 each Occurrence; and
 6. Medical Expenses (any one person) - \$10,000;
 7. Fire Damage (any one fire) - \$1,000,000.
- B. The following shall be provided and attached to this Lease by the Lessee:
1. A Certificate of Insurance for its General Liability Insurance. The City of Lincoln as Lessor shall be specifically named as an additional insured on the General Liability Insurance policy. A copy of said endorsement listing Lessor as an additional insured should be included with said certificate.
 2. Proof of Workers Compensation Insurance, where appropriate.
- C. Lessee is required to provide the Lessor with thirty (30) days notice of cancellation, non-renewal or any material reduction of insurance as required by this Lease. Lessee shall also provide proof to Lessor that Lessee's insurance policy required according to the terms of this Lease contains an endorsement listing Lessor as a Cancellation Notice Recipient.
- D. All Commercial General Liability and other property policies maintained by Lessee will be written as primary policies, not contributing with and not supplemental to the coverage that Lessor may carry.
- E. Lessee shall have the right to self insure with respect to its insurance obligations. Lessee shall provide Lessor with a letter certifying the amount of self-insurance provided by Lessee for the Leased Premises.

- F. Lessor shall be allowed to maintain self insurance with respect to the Property. Lessor shall provide Lessee with a letter certifying the amount of self insurance maintained by Lessor for the Property.
- G. Waiver of Subrogation. Lessee hereby expressly waives any right of recovery against Lessor for any loss, damage or destruction of Lessee's property which is insured under the policies Lessee is required to maintain, notwithstanding that the damage may be due to the negligent acts or omissions of Lessor, Lessor's agents or employees. Lessor hereby expressly waives any right of recovery against Lessee for loss, damage or destruction of Lessor's property which is insured under the policies Lessor is required to maintain, notwithstanding that the damage may be due to the negligent acts or omissions of Lessee, Lessee's agents or employees. Lessor and Lessee shall place Lessor's and Lessee's respective insurance with companies that will agree to acknowledge, by endorsement to the policies of the insured if necessary, that the insurance will not be invalidated should the insured waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the property described therein.
- H. Waiver of Claims. Lessor and Lessee hereby waive all rights of recovery and causes of action against the other, the other's agents and employees, and all persons claiming through or under the other, relating to loss of business, business interruption or loss of rentals resulting from any damage or destruction to the Leased Premises or any of Lessee's property contained therein, notwithstanding that any such damage or destruction may be due to the negligence of Lessor or Lessee, their respective agents or employees, as the case may be.

XVI. HAZARD INSURANCE

Throughout the Term of this Lease, Lessor shall provide, at Lessor's expense, at replacement value for the Property, including improvements thereto, insurance against loss by fire, lightning, and other perils covered by the standard all-risk endorsement, and shall maintain insurance against other hazards an in such amount as is customarily carried by owners and operators of similar properties.

XVII. CERTAIN INSURANCE RISKS

Lessee will not do or permit to be done any act or thing upon the Property which would (a) jeopardize or be in conflict with fire insurance policies covering the Property, including all fixtures and property in, on, or about the Property, or (b) increase the rate of fire insurance applicable to the Property to an amount higher than it would otherwise be for general office use of the Property, or (c) subject Lessor to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried out upon the Property by Lessee.

XVIII. DAMAGE AND DESTRUCTION

If the Leased Premises or the building are damaged by fire or other insured casualty, Lessor will give Lessee notice of the time which will be needed to repair such damage, as determined by Lessor in its reasonable discretion, and the election which Lessor has made according to this Section. Such notice will be given before the thirtieth (30th) day (hereinafter referred to as the "notice date") after the fire or other insured casualty.

- (a) If the Leased Premises or Property are damaged by fire or other casualty to an extent which may be repaired within one hundred eighty (180) days after the fire or other casualty, Lessor will repair the damage and diligently pursue the completion of such repair. In that event this Lease will continue in full force and effect except that Rent shall be abated on a pro rata basis from the date of the fire or other insured casualty until the date of the

completion of such repairs based on the rentable area of the Leased Premises the use of which Lessee is deprived during the repair period.

- (b) If the Leased Premises or the Property are damaged by fire or other casualty to an extent which may not be repaired within one hundred eighty (180) days after the fire or other casualty, then (i) Lessor may terminate this Lease as of the date of such damage by written notice given to Lessee not later than the thirtieth (30th) day after the fire or other casualty, or (ii) Lessee may Terminate this Lease effective with the date of such damage by written notice given to Lessor within ten (10) days after Lessor's delivery of a notice that the repairs cannot be made within such one hundred eighty (180) day period. If neither Lessor nor Lessee so elects to terminate this Lease, Lessor will repair the Property and Leased Premises, including the Lessor's and Lessee's Improvements, and Rent will be abated on a pro rata basis during the repair period based on the rentable area of the portion of the Leased Premises the use of which Lessee is deprived during the repair period.
- (c) If the proceeds of insurance are insufficient to pay for the repair of any damage to the Leased Premises or the Property, then Lessee shall be paid the amortized costs (determined on a straight line basis over the original term only) for the amount of Lessee Improvements paid for by Lessee and Lessor will have the option to repair such damage or terminate this Lease as of the date of such casualty by written notice to Lessee not later than thirty (30) days following the fire or other casualty.

XIX. TERMINATION FOR BREACH

Either party has the right to terminate this Lease if the other party fails to perform as required in this Lease. Termination rights under this section may be exercised only after the non-breaching party notifies the breaching party of the failure to perform in writing upon giving the other party ninety (90) days written notice.

XX. DEFAULT

The following events are referred to collectively as “Events of Default” or individually as an “Event of Default”:

- (a) Lessee defaults in the due and punctual payment of Rent and any additional charges for utilities provided to the Leased Premises, and such default continues for more than five (5) days after notice from Lessor, provided however, Lessee will not be entitled to more than one (1) notice for monetary defaults during any twelve (12) month period;
- (b) Lessee abandons the Leased Premises prior to the end of the Term;
- (c) this Lease or the Leased Premises or any part of the Leased Premises are taken upon execution or by other process of law directed against the Lessee, or are taken upon or subject to any attachment at the instance of any creditor or claimant against Lessee, and said attachment is not discharged or disposed of within thirty (30) days after its levy;
- (d) Lessee files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or admits the material allegations of any such petition by answer or otherwise, or is dissolved or makes an assignment for the benefit of creditors;
- (e) Involuntary proceedings under any such bankruptcy law or insolvency act or for the dissolution of Lessee are instituted against Lessee, or a receiver or trustee is appointed for all or substantially all of the property of the Lessee, and such proceeding is not dismissed or such receivership or trusteeship vacated within sixty (60) days after such institution or appointment; or
- (f) Lessee breaches any of the other agreements, terms, covenants, or conditions which this Lease requires Lessee to perform, and such breach continues for a period of thirty (30) days after notice from Lessor to Lessee; or if such breach continues for a period of thirty

(30) days after notice from Lessor to Lessee; or if such breach cannot be cured reasonably within thirty (30) days after notice from Lessor or fails to proceed diligently to cure such breach within a reasonable time period thereafter.

XXI. LESSOR'S REMEDIES

If any one or more of the Events of Default set forth in Section XX occurs, then Lessor has the right, in addition to any other remedies provided by law, to:

- (a) Give Lessee written notice of Lessor's intention to terminate this Lease on the earliest date permitted by law or on any later date specified in such notice, in which case Lessee's right of possession of the Leased Premises will cease and this Lease will be terminated, except as to Lessee's liability, as if the expiration of the term fixed in such notice were the end of the Term; or
- (b) Reenter and take possession of the Leased Premises or any part of the Leased Premises without further demand or notice, repossess the same, expel Lessee and those claiming through and under Lessee, and remove effects of both or either, using such force for such purposes as may be necessary without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Rent or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions; or
- (c) Upon prior written notice to Lessee and if such failure is not cured within thirty (30) days of such notice, cure any Event of Default and to charge Lessee for the cost of effecting such cure, including without limitation attorneys' fees and interest on the amount so advanced at the rate of two percent (2.00%) without further demand or notice to cure said Event of Default. The foregoing notwithstanding, Lessor has no obligation to cure any such Event of Default for Lessee.

In the event that Lessor does not elect to terminate this Lease but to the contrary, elects to take possession as provided above, Lessee will pay to Lessor: (i) Rent and other sums as provided in this Lease which would be payable under this Lease if such repossession had not occurred, less; (ii) the net proceeds, if any, of any reletting of the Leased Premises after deducting all of Lessor's reasonable expenses in connection with such reletting. Lessor will be entitled to collect such damages from Lessee monthly on the day on which Rent and other amounts would have been payable under this Lease if this Lease had not been terminated.

XXII. LESSOR'S DEFAULT

In the event of any alleged default in the obligation of Lessor under this Lease, Lessee will deliver to Lessor written notice listing the nature of Lessor's default, and Lessor will have thirty (30) days following receipt of such notice to cure such alleged default, or, in the event the alleged default cannot reasonably be cured within a thirty (30) day period, to commence action and proceed diligently to cure such alleged default. No default or alleged default of Lessor under this Lease shall be a defense to the performance by Lessee of any of its obligations under this Lease, including, without limitation, Lessee's obligation to pay Rent. In addition to Lessee's rights available at law or equity, in the event that such Landlord's default creates a hazardous condition or interferes with Lessee's business, Lessee may elect to cure such default and set off Rent.

XXIII. SECURITY OF LEASED PREMISES

Lessor shall provide and maintain necessary security measures for the Property specifically including any measures necessary to secure exterior doors of 949 West Bond Street. Lessor shall provide Lessee's employees with access to the Leased Premises by providing the necessary hardware and authorization to gain entry to the building through the southwest doors to 949 West Bond Street.

Lessor agrees that Lessee may establish and revise from time to time security measures, including measures required to limit access to the Leased Premises by unauthorized persons subject to the written consent and approval of the Lessor. Any such security measures installed or maintained by the Lessee for the Leased Premises shall be installed and maintained at the sole cost and expense of Lessee. Further, Lessee shall provide Lessor with access to any hardware located on the Property that is associated with any security measures installed by Lessee and affecting the Leased Premises.

XXIV. RISK OF LOSS

Except to the extent caused by Lessor's wilful misconduct or gross negligence, Lessee agrees that the Lessor is in no way responsible for the property of Lessee or any of its employees, agents, or invitees stored, kept, or maintained on the Leased Premises and in no way assumes liability for any loss of property resulting from fire, theft, pilferage, malicious mischief, or any other happening whatsoever.

XXV. MAINTENANCE OF THE LEASED PREMISES AND COMMON AREAS

Lessee agrees to maintain the Leased Premises in good order and condition. This shall include all necessary cleaning of floors, walls, restroom facilities, ceilings, and light fixtures within the Leased Premises. Lessor shall perform all repairs and maintenance of the building located at 949 West Bond Street related to (including but not limited to) the: structure, exterior doors, roof, HVAC, Fire Alarm System, water mains, electrical risers, plumbing, sewers, lighting, etc. Lessor agrees to maintain the Common Areas in good order and condition.

Lessor shall employ and provide maintenance staff on the Property during normal business hours on all working days excepting recognized City holidays. For purposes of general maintenance and upkeep of the Property, Lessee will immediately advise Lessor of any damage to the Leased Premises. Subject to the waiver of subrogation and waiver of claims as set forth in Sections XV (G)

and (H), all damage to the Leased Premises or to the fixtures and equipment serving the building generally caused by Lessee, its agents, employees, or invitees, may be repaired, restored, or replaced by Lessor at the expense of Lessee and will be collectible by Lessor. Lessor shall complete all necessary repairs while making reasonable efforts to reduce interference with Lessee conducting business during the course of the necessary maintenance or repairs. Further, Lessor shall notify Lessee at least seventy-two (72) hours in advance if Lessor intends to perform necessary or routine maintenance on the Property when said maintenance activities will take place within the Leased Premises and may result in interference with Lessee or Lessee's employees conducting business on the Leased Premises. Payments for said damage will be due within ten (10) days after mailing of a statement of the costs associated with said repair incurred by Lessor.

XXVI. ALTERATION OF LEASED PREMISES

During the Term of this Lease, Lessee will not make or allow to be made any structural alterations, additions, or improvements upon the Leased Premises or any part of the Leased Premises, or attach any fixtures or equipment to the Leased Premises, without first obtaining Lessor's written consent, not to be unreasonably withheld, conditioned or delayed. Lessee shall have the right to make non structural alterations that do not adversely affect the structural, mechanical or building systems in or serving the Leased Premises without Lessor's prior written consent. All such alterations, additions, and improvements to the Leased Premises consented to by Lessor and all capital improvements required to be made to the Property as a result of the nature of Lessee's use of the Leased Premises:

- (a) Will be performed by reputable contractors and subject to conditions specified by Lessor;
- (b) Will be constructed in such as manner as to comply with all federal, state, and local laws and ordinances related to the design and construction of said improvements; and

- (c) Will immediately become Lessor's property and, at the end of the Term, will remain on the Leased Premises without compensation to Lessee.

XXVII. CONSTRUCTION LIENS

Lessee will pay or cause to be paid all costs and charges for work done by Lessee or caused to be done by Lessee, in or to the Leased Premises, and for all materials furnished for or in connection with such work. Except for any work performed by Lessor or its contractors, Lessee will indemnify Lessor against and hold Lessor, the Leased Premises, and the Property free, clear, and harmless from all construction liens and claims of liens, and all other liabilities, liens, claims, and demands on account of such work by or on behalf of Lessee. Nothing contained in this Lease will be deemed the consent or agreement of Lessor to subject Lessor's interest in the building to liability under mechanics', construction, or other lien laws. If Lessee receives notice that a lien has been or is about to be filed against the Leased Premises or the building or any action affecting title to the building has been commenced on account of work done by or for or materials furnished to or for Lessee, it will immediately give Lessor written notice of such notice.

XXVIII. SERVICE OF NOTICES

Any formal notices, requests, demands, or other communications required or permitted by this Lease by Lessor to Lessee shall be made in writing to Lessee's representative as follows:

Mark Shepard
Associate Superintendent of Business Affairs
mshepar@lps.org
shepam01@yahoo.com

If to counsel:

James B. Gessford
Attorney at Law
233 South 13th Street, Suite 1400
Lincoln, NE 68508

Any formal notices, requests, demands, or other communications required or permitted by this Lease by Lessee to Lessor shall be made in writing to Lessor's representative as follows:

Greg MacLean - Director
Public Works Department
555 South 10th Street, Suite 203
Lincoln, NE 68508

If to counsel:

Christopher J. Connolly
Assistant City Attorney
555 South 10th Street, Suite 300
Lincoln, NE 68508

XXIX. AMENDMENT OF LEASE

No amendment, alteration, modification of or addition to this Lease will be valid or binding upon either party unless it is expressed in writing and signed by Lessor and Lessee.

XXX. CHOICE OF LAW

This Lease is a Nebraska contract, and as such, all of the terms contained herein shall be interpreted according to the law of the State of Nebraska.

XXXI. REMEDIES CUMULATIVE

All rights and remedies of Lessor and Lessee under this Lease are cumulative and none shall exclude any other rights or remedies allowed by law.

XXXII. ACCESS TO LEASED PREMISES

Provided that Lessor provides Lessee reasonable prior notice, Lessor and Lessor's agents shall have the right at all reasonable times to enter the Leased Premises, by pass key or otherwise, to examine said Leased Premises or to make such repairs, decorations, additions, or alterations as may be necessary for the safety, betterment, improvement, and/or preservation thereof, or of the Property; or to show the Leased Premises during the last six (6) months of the Term for rental purposes; or to do any other act that Lessor is permitted to do under this Lease.

XXXIII. SEVERABILITY

If any provision of this Lease proves to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid, or unenforceable, a provision will be added as a part of this Lease as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and unenforceable.

XXXIV. ENTIRE AGREEMENT

This Lease, the Exhibits and Addenda, if any, contain the entire agreement between Lessor and Lessee. No promises or representations, except as contained in this Lease, have been made to Lessee respecting the condition or the manner of operating the Leased Premises or the building.

XXXV. CAPTIONS

The captions of the various Sections of this Lease are for convenience only and do not necessarily define, limit, describe, or construe the contents of such Sections.

XXXVI. MISCELLANEOUS

- A. No Recording. This Lease shall not be recorded. The foregoing notwithstanding, either party may elect to prepare and execute a Memorandum of Lease to be recorded with the Register of Deeds.
- B. Successors and Assigns. This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Lessor, Lessor's heirs, legal representatives, successors and assigns, and shall be binding upon and inure to the benefit of Lessee, Lessee's successors and those assignees of Lessee who become assignees in accordance with and as permitted by this Lease.
- C. Broker. Lessor warrants, which warranty shall survive the execution of this Lease, that no brokerage fee or other compensation is due any real estate broker or other person or entity

by reason of this transaction. Lessee warrants, which warranty shall survive the execution of this Lease, that no broker induced Lessee to enter into this transaction. Lessor and Lessee each agree to indemnify, defend and hold harmless the other from any breach of said warranties.

- D. Limitation of Liability. IN NO EVENT SHALL LESSEE BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES ARISING FROM THIS LEASE OR LESSEE'S PERFORMANCE OF LESSEE'S OBLIGATIONS HEREUNDER. IN ADDITION, IN NO EVENT SHALL LESSOR BE LIABLE FOR CONSEQUENTIAL OR SPECIAL DAMAGES ARISING FROM THIS LEASE OR LESSOR'S PERFORMANCE OF LESSOR'S OBLIGATIONS HEREUNDER.
- E. Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- F. Representations and Warranties of Lessor. Lessor makes the following representations and warranties as of the date of execution of this Lease:
- (1) Lessor is a duly organized and validly existing political subdivision and municipal corporation in good standing under the laws of the State of Nebraska and has full power and authority, and has obtained all necessary consents, to enter into and perform its obligations under this Lease, and has taken all necessary action to authorize the execution and delivery of this Lease by the persons executing and delivering this Lease on behalf of Lessor.
 - (2) The execution and delivery of this Lease by Lessor will not result in a breach of the terms or provisions of, or constitute a default (or a condition which, upon notice or lapse of time, or both, would constitute a default) under its organizational

documents or any agreement, instrument or obligation by which Lessor is bound, and will not constitute a violation of any Laws, applicable to Lessor.

(3) This Lease is a legal, valid and binding obligation of Lessor enforceable against Lessor in accordance with its terms.

G. Survival. All provisions of this Lease which by their express terms survive termination of this Lease or which by the operation of their terms are intended to be performed, in whole or in part, after termination of this Lease, shall survive any termination of this Lease.

H. Survival of Indemnification Obligations. Unless this Lease specifically provides otherwise, all obligations of indemnification contained in this Lease shall survive the termination or expiration of this Lease.

WITNESS our hands and seals as of the date first above written.

LESSOR:

CITY OF LINCOLN, NEBRASKA

By: _____
Chris Beutler, Mayor of Lincoln

LESSEE:

LANCASTER COUNTY SCHOOL DISTRICT 001

By: Mark W. Shepard

Title: Associate Superintendent for Business Affairs

Exhibit A

949 Building Upper Level Municipal Services Center (Experian Building) Lease 30,000 Sq Ft

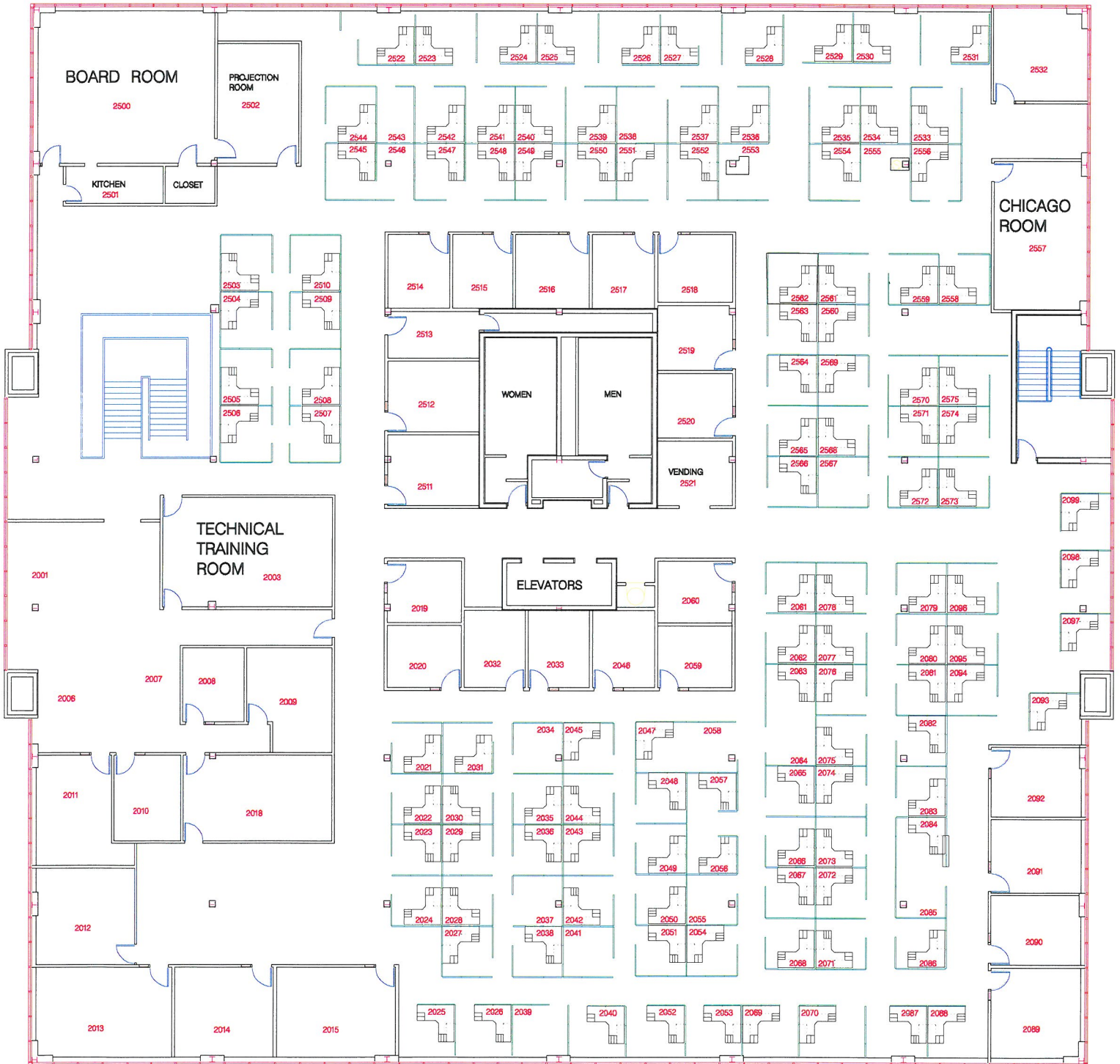


Exhibit B
949 Building Lower Level
Municipal Services Center (Experian Building)
Leased Space 11,000 Sq Ft

